

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

|  |   |                 |
|--|---|-----------------|
| THE APPLICATION OF CLARK RURAL ELECTRIC  | ) |                 |
| COOPERATIVE CORPORATION FOR COMMISSION   | ) |                 |
| APPROVAL OF A CERTIFICATE OF CONVENIENCE | ) | CASE NO. 90-274 |
| AND NECESSITY TO CONSTRUCT AND FINANCE   | ) |                 |
| ACCORDING TO THE COOPERATIVE'S TWO YEAR  | ) |                 |
| WORK PLAN                                | ) |                 |

**INTERIM ORDER**

Clark Rural Electric Cooperative Corporation ("Clark") filed its application on September 11, 1990 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$1,144,330 from the National Rural Utilities Cooperative Corporation ("CFC"), and to execute its notes to secure such loan.

In support of its application, Clark filed its 1990-1991 Work Plan, which describes in detail the improvements and additions to plant that are required over the next 2 years to service its load. These improvements and additions are estimated to cost \$4,623,292 and will be financed by loans of \$2,590,000 from the

Rural Electrification Administration ("REA") and of \$1,144,330<sup>1</sup> from CFC. A total of \$923,292 will be financed by Clark internally generated funds.

Clark seeks authorization to construct extensions and additions to its plant as follows:

|                                |                |
|--------------------------------|----------------|
| 1. New Consumers               | \$1,323,876    |
| 2. Conversion and Line Changes | 1,186,340      |
| 3. Increased Service Capacity  | 215,992        |
| 4. Security Lights             | 148,800        |
| 5. Pole Replacements           | 509,104        |
| 6. Transformers                | 400,160        |
| 7. Meters                      | 93,520         |
| 8. Sectionalizing Equipment    | 472,500        |
| 9. Regulators                  | <u>273,000</u> |
| TOTAL                          | \$4,623,292    |

The proposed construction will enable Clark to continue to provide adequate and dependable service to its customers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Clark has advised the Commission that REA and CFC have yet to issue final authorization for the proposed loans. Therefore, the Commission will defer ruling on the proposed borrowing from CFC. Clark should notify the Commission when it has received the requisite final loan approvals from REA and CFC. Its request for authorization to borrow from CFC will be considered at that time.

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<sup>1</sup> The borrowing from CFC includes the purchase of capital term certificates, in an amount equal to 3 percent of the total CFC loan. CFC requires its borrowers to purchase these certificates.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that public convenience and necessity require the construction by Clark of the improvements and additions to its existing plant as described in its 1990-1991 Work Plan.

IT IS THEREFORE ORDERED that:

1. Clark be and it hereby is granted a Certificate of Public Convenience and Necessity to proceed with the construction and additions as set forth in its 1990-1991 Work Plan.

2. Clark's application for authorization to borrow \$1,144,330 from CFC and to execute notes to secure each loan is continued generally.

3. Within 10 days of its receipt of final loan approval, Clark shall notify the Commission in writing of the final loan approvals received from REA and CFC.

Done at Frankfort, Kentucky, this 6th day of March, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director